

Message Text

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C O N F I D E N T I A L JOHANNESBURG 1876

EO 11652: GDS

TAGS: ELAB, SF

SUBJECT: BRITISH SUBSIDIARY CANCELS UNIQUE BLACK TRADE UNION AGREEMENT

1. BEGIN SUMMARY: A BRITISH SUBSIDIARY HAS CANCELLED ITS TWO-YEAR AGREEMENT GRANTING NEGOTIATING RIGHTS TO AN UNREGISTERED BLACK TRADE UNION. THE COMPANY IS SEEKING TO CONFORM WITH THE PRACTICE OF OTHER SOUTH AFRICAN FIRMS AND GOVERNMENT POLICY BY DEALING DIRECTLY WITH ITS EMPLOYEES THROUGH A COMPANY LIAISON COMMITTEE RATHER THAN A TRADE UNION WHICH HAS BARGAINING POWER OUTSIDE THE COMPANY. THE POSSIBILITY OF A STRIKE EXISTS.

END SUMMARY.

2. A NATAL BASED BRITISH SUBSIDIARY, SMITH AND NEPHEW, THE ONLY SOUTH AFRICAN COMPANY TO HAVE GIVEN NEGOTIATING RIGHTS TO AN UNREGISTERED BLACK TRADE UNION, WITHDREW THESE RIGHTS AT THE EXPIRATION OF THE AGREEMENT ON JULY 18.

3. THE TWO-YEAR AGREEMENT WAS ORIGINALLY SIGNED JOINTLY BY THE

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REGISTERED TEXTILE WORKERS INDUSTRIAL UNION (AFFILIATED TO THE TRADE UNION COUNCIL OF SOUTH AFRICA) ON BEHALF OF ABOUT 60 INDIAN MEMBER EMPLOYEES AND THE UNREGISTERED NATIONAL UNION OF TEXTILE WORKERS (AFFILIATED TO THE TRADE UNION ADVISORY AND COORDINATING COUNCIL) REPRESENTING THE COMPANIES' BLACK EMPLOYEES.

4. ACCORDING TO BRITISH LABOR ATTACHE VISE, MANAGEMENT

APPARENTLY TOOK COMFORT IN THE PRESENCE OF A REGISTERED UNION IN THE AGREEMENT. DESPITE THE MAJOR SUCCESS OF THE AGREEMENT ESPECIALLY IN THE OPERATION OF GRIEVANCE PROCEDURES, THE COMPANY BECAME SUSPICIOUS WHEN ONE OF THE SIGNATORIES ON BEHALF OF BOTH UNIONS, JOHN COPELYN, WAS BANNED LAST YEAR. RELATIONS BETWEEN THE TWO UNIONS SOURED WHEN 55 OF THE 60 MEMBERS OF THE TWIU LEFT TO JOIN THE NUTW.

5. ACCORDING TO VOSE, SMITH AND NEPHEW'S SOUTH AFRICAN MANAGEMENT HAS APPARENTLY SEEN THE RESULTANT JURISDICTIONAL DISPUTE BETWEEN THE TWIU AND THE NUTW AS WELL AS THE CURRENT HIGH UNEMPLOYMENT AS AN OPPORTUNITY TO FALL INTO LINE AGAIN WITH OTHER SOUTH AFRICAN EMPLOYERS AND GOVERNMENT POLICY BY CANCELLING THE UNION AGREEMENT AND CREATING A COMPANY LIAISON COMMITTEE FOR ITS BLACK WORKERS.

6 VOSE INDICATED THIS DECISION BY SMITH AND NEPHEW AS WELL AS THE REFUSAL OF A SUBSIDIARY OF THE BRITISH COMPANY UNILEVER TO RECOGNIZE THE BLACK SWEET FOOD AND ALLIED WORKERS UNION (SUPPORTED BY URBAN TRAINING PROJECT) HAS AROUSED CONSIDERABLE INTEREST IN THE UNITED KINGDOM. THE TUC, ICFTU, AND INTERNATIONAL UNION OF FOOD AND ALLIED WORKERS ASSOCIATIONS WILL BE TELLING THEIR MEMBERSHIPS ABOUT THESE TWO SOUTH AFRICAN CASES.

7. A STRONG POSSIBILITY ALSO EXISTS THAT THE NUTW MAY CALL A CONFIDENTIAL

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STRIKE AT SMITH AND NEPHEW.

8. COMMENT: THE NATIONAL UNION OF TEXTILE WORKERS HAS RECEIVED SUPPORT FROM THE BRITISH TUC THROUGH TUACC. IT AND OTHER TUACC UNIONS SUCH AS THE METAL AND ALLIED WORKERS UNION HAVE BEEN AMONG THE MOST AGGRESSIVE OF THE NEW BLACK TRADE UNIONS. THEIR SUCCESS HAS WORRIED UK SUBSIDIARIES SUCH AS LEYLAND AND SMITH AND NEPHEW AND CONCERNED THE SOUTH AFRICAN GOVERNMENT.

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